

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
SKYPORT GLOBAL COMMUNICATIONS, INC.,	§	CASE NO. 08-36737-H4-11
Debtor	§	(Chapter 11)
<hr/>		
JOANNE SCHERMERHORN, JOHN K. WAYMIRE, ET AL., PLAINTIFFS	§ § § § §	
VS.	§	ADVERSARY NO. 10-03150
	§	
CENTURYTEL, INC. (A/K/A CENTURYLINK), CLARENCE MARSHALL, ET AL, DEFENDANTS	§ § § §	
<hr/>		
SKYPORT GLOBAL COMMUNICATIONS, INC., ET. AL PLANITIFFS	§ § § § §	ADVERSARY NO. 10-03225
VS.	§ § §	
JOANNE SCHERMERHORN, ET. AL. DEFENDANTS	§ §	(CONSOLIDATED UNDER ADVERSARY NO. 10-03150)

**SKYPORT GLOBAL COMMUNICATIONS, INC.'S
MOTION FOR ADDITIONAL SANCTIONS**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING. REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Plaintiff, Skyport Global Communications, Inc. (“Skyport”) hereby moves this Court for an order awarding additional sanctions¹ against the Schermerhorn Group² and their counsel. The grounds for this Motion are as follows:

FACTUAL BACKGROUND

1. This Court entered a confirmation order (the “Confirmation Order”), after notice to all affected parties (including the Schermerhorn Group) that merged SkyComm (the parent company) into the Debtor, Skyport Global Communications, Inc. (the wholly owned subsidiary of SkyComm), which then became the Reorganized Debtor. The Plan then cancelled the SkyComm pre-petition shares,³ and issued new shares to Balaton. The Plan also released Balaton and Kubbernus from alleged claims arising post-petition out of the Chapter 11 process as well as all derivative claims (the “Plan Injunction”).⁴

2. The Confirmation Order was not appealed, and the Plan was consummated. Money was disbursed, and the Reorganized Debtor has been operating under the Plan for nearly a year. The Court has not been asked to vacate the Confirmation Order. Indeed, nothing challenging the releases or confirmation has been raised to this Court.

3. However, on or about February 12, 2010, the Schermerhorn Group (former shareholders of SkyComm who had notice of the bankruptcy) sued Balaton, Kubbernus, and other related parties in a 111-page derivative petition (the “Petition”). No advance notice was given of the Petition and no demand letter was sent.

¹ Subject to determination of the proper amount, the Court has already awarded attorneys’ fees and expenses.

² The Schermerhorn Group are the 49 named Plaintiffs in Adversary No. 10-03150 which are the same named Defendants in Adversary No. 10-03225.

³ Plan at 6.3, Final Disclosure Statement [docket #264] at p. 21: “Because the Holders of Interests (after Merger with SkyComm) receive nothing on account of its interests, they are deemed to reject the plan and not entitled to vote.”; Confirmation Order [docket #340] at p. 10: “Specifically, the merger of SkyComm into Skyport is approved such that Skyport will be the surviving entity.”

⁴ Plan at 13.7 and 13.8.

4. In their Petition, the Schermerhorn Group alleged the following causes of action against Balaton and Kubbernus:

- (a) Claim for appointment provisional director, trustee, managing agent, fiscal agent or other court appointed fiduciary for the Reorganized Debtor;
- (b) Claim for breach of fiduciary duty;
- (c) Claim against for unjust enrichment;
- (d) Claim against for aiding and abetting a breach of fiduciary duty;
- (e) Claim for fraud through active concealment of material facts;
- (f) Claim for fraud through silence in the face of a duty to disclose;
- (g) Claim for wrongful equity dilution; and
- (h) Claim for an accounting.

5. On March 26, 2010, the state court Petition was removed to this Court by the defendants therein and assigned Adversary No. 10-03150.

6. On May 18, 2010, Skyport, Balaton and Kubbernus filed Adversary No. 10-03225, seeking a declaratory judgment that the lawsuit filed by the Schermerhorn Group violated the discharge injunction and other provisions contained in the Confirmation Order and requested injunctive relief.

7. Subsequently, both Adversary Proceedings were consolidated under Adversary No. 10-03150.

8. On May 27, 2010, the Court conducted a hearing on Skyport's request for a preliminary injunction and sanctions. At the conclusion of the hearing, the Court specifically found that the Schermerhorn Group violated the discharge injunction and other provisions contained in the Confirmation Order and subsequently entered a preliminary injunction (Doc. 85).

9. At the same hearing, the Court also granted sanctions and ordered Skyport to submit fee invoices relating to prosecution of the Application for Preliminary Injunction to Mr.

Smith by June 11, 2010. Copies of these fee invoices are attached as Exhibit A. The amount requested was \$17,800, accrued through June 9, 2010.⁵ The Court also ruled that Skyport could seek additional sanctions by filing an appropriate motion on or before June 30, 2010.

10. This is Skyport's motion for additional sanctions. By this motion, Skyport is seeking the following additional sanctions:

- (a) Compensation for Time and Effort Spent by Skyport Personnel: \$103,213
- (b) Punitive Damages: \$233,300

11. The bases for these additional sanctions requests are discussed below.

ARGUMENT

12. As state above, the Court has already determined that the Schermerhorn Group violated the discharge injunction and other provisions of the Confirmation Order, and that Skyport should be compensated for its reasonable attorneys' fees and expenses. The issue raised in this Motion is what other damages does the bankruptcy court have authority to award.

13. The basic authority for bankruptcy courts to award damages for violation of its orders (i.e. civil contempt) is found in 11 U.S.C. § 105(a). Section 105(a) states that "a court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." A civil contempt order which compensates a debtor for damages suffered as a result of a creditor's violation of the discharge injunction is both necessary and appropriate to carry out the provisions of the Bankruptcy Code. *In re McClure*, 420 B.R. 655, 663 (Bankr. N.D. Tex. 2009). In cases in which the discharge injunction was violated willfully, courts have awarded debtors three categories of damages: (1) actual damages, (2) punitive damages, and (3) attorney's fees. *Id.* This Court has already ruled that the Schermerhorn Group

⁵ The Court should note that Skyport is liable for a portion of the fees incurred by McKool Smith. This motion does not cover any fees and such expenses. The damages sought in this Motion are purely in addition to those fees.

willfully violated the Confirmation Order and that Skyport is entitled to attorneys' fees. Therefore, the balance of this Motion will discuss actual and punitive damages.

Actual Damages

14. In the *In re McClure* case, the court found that the McClures' themselves (as opposed to their attorneys) expended substantial time and effort in prosecuting a lawsuit against creditors. The court reasoned that without the willingness of aggrieved debtors to prosecute violations of the discharge injunction of § 524(a)(2), such violations would go unchecked by the court. *Id.* at 664. The court also found that one of the underlying purposes of the Bankruptcy Code is providing a fresh start to a discharged debtor. *Id.* The court reasoned that if violations of the discharge injunction go unpunished, creditors will lack the necessary incentive to avoid violating the law; and thus, an underlying purpose of the Code will be undermined. *Id.* Thus, the court found that in order to ensure that debtors are not hesitant to prosecute violations of the discharge injunction, they should be awarded actual damages to compensate them for the time and effort they expend in the process.

15. Various Skyport officers and employees spent 277.5 hours responding to the Petition filed by the Schermerhorn Group. Attached as Exhibit B is a spreadsheet summarizing the actual time spent by Skyport personnel. This time is then multiplied by the hourly rate such Skyport personnel actually bill third party clients for consulting services. Attached as Exhibit C is a copy the Skyport rate card identifying the rates charged by Skyport personnel to third parties. The total amount requested for these actual damages is \$103,313. The Court should note that this 277.5 hours could have been spent rendering services to other clients and/or generating new business for Skyport. Thus, the foregoing constitutes real damage incurred by Skyport as a

direct result of the filing of the Petition this Court has already determined was in contempt of the Confirmation Order.

Punitive Damages

16. In *In re Mooney*, 340 B.R. 351, 359 (Bankr. E.D. Tex. 2006), the debtor asked for punitive damages for the violations of the discharge order and the court declared that such requests have often been granted in a discharge injunction context due to the willful and malicious nature of the defendant's behavior. *Id.* at 361. The court then ascertained that the behavior of the creditor under the circumstances of this case was both willful and malicious. *Id.*

17. In *Mooney*, the debtor requested punitive damages in excess of \$500,000.00, an amount that was nearly 25 times the amount of actual damages sustained by the debtor in this case. Though the Court believed that an award of punitive damages was appropriate it determined that a bankruptcy court must be guided by the reasonableness principles expressed in *BMW of North America v. Gore* and the Fifth Circuit precedents arising in the wake of that decision. *Mooney*, 340 B.R. at 362. In *Gore*, the Supreme Court outlined three guideposts courts should consider in determining whether a punitive damages award is unconstitutionally excessive: (1) the degree of the defendant's reprehensibility or culpability; (2) the disparity between the harm or potential harm suffered by the victim and the punitive damages award; and (3) the sanctions authorized or imposed in other cases for comparable misconduct. *BMW of North America v. Gore*, 517 U.S. 559, 575 (1996). Thus, the Court found a punitive damage assessment in the amount of \$40,000.00 or 2 times the amount of actual damages as an appropriate award of punitive damages under the evidence presented in the *Mooney* case. *Mooney*, 340 B.R. at 362.

18. Here, in addition to the actual damages incurred, Skyport is seriously considering changing its name and re-branding the entire company due to the stench created by the

allegations contained in the Petition filed by the Schermerhorn Group. Attached as Exhibit D is an analysis of the costs Skyport will incur if it is compelled to proceed in this manner. The amount is \$233,300. Skyport is in the process of making a decision whether or not it needs to proceed. It has not yet incurred these costs so they are not actual damages. However, Skyport believes that this is a fair amount in punitive damages to assess against the Schermerhorn Group in relation to the reprehensibility of the their laying behind the log during the bankruptcy process and waiting to file the Petition until after confirmation thereby causing serious harm to Skyport. Essentially, the punitive damages requested are approximately two times the actual direct costs, which is precisely what the court awarded in *Mooney*.

19. Moreover, the Court should not be concerned at the size of the award being requested because there are 49 parties who can share in the cost and many of those parties are wealthy individuals and/or investment funds. If the Court granted the full amount of additional sanctions requested (i.e. \$354,313), the cost to each member of the Schermerhorn Group would be only \$7,231 each.⁶ This is certainly not an unreasonable amount of additional damages to assess against parties who permitted themselves to be named in a Petition that was plainly in contempt of the Confirmation order they all received. Of course, the award should be joint and several in order to ensure enforcement.

20. In addition, since the members of the Schermerhorn Group are literally spread all over the world, the Court should require them to pay the costs incurred by Skyport in collecting the award if it is not paid within ten days of entry of the sanctions order.

WHEREFORE, Skyport prays that:

1. The Court award additional sanctions in the amount of \$354,313, plus the costs of collecting this amount if not paid within ten days;

⁶ Of course, this does not include the fees and expenses incurred by McKool Smith.

2. The Court order that the award be joint and several;
3. The Court order that the Schermerhorn Group may not pursue any direct claims until such time as the sanctions awards are paid in full.
4. The Court grants such other and further relief as is just and proper.

DATED: May 17, 2010.

Respectfully submitted,

HOOVER SLOVACEK, L.P.

By: /s/ Edward L. Rothberg
EDWARD L. ROTHBERG
State Bar No. 17313990
MELISSA A. HASELDEN
State Bar No. 00794778
ANNIE E. CATMULL
State Bar No. 00794932
5847 San Felipe, Ste 2200
Houston, Texas 77057
Telephone: (713) 977-8686
Facsimile: (713) 977-5395

ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the above and foregoing were forwarded via DLR 5.1 and the ECF system and U.S. first class mail, postage prepaid, to Defendants' counsel at the addresses noted below on June 30, 2010:

Defendants' Counsel:

Eric Fryar
The Fryar Law Firm
1001 Texas Ave, Ste 1400
Houston, TX 77002-3194

Samuel Goldman
Samuel Goldman & Assoc.
100 Park Ave 20th FL
New York, NY 10017

Harold B. Obstfeld
Harold B. Obstfeld, P.C.
100 Park Ave 20th FL
New York, NY 10017

/s/ Edward L. Rothberg

EDWARD L. ROTHBERG

HooverSlovacek
Attorneys at Law

P.O. Box 4547
Houston, Texas 77210
713-977-8686

June 9, 2010

Skyport Global Communications, Inc.
11140 Aerospace Avenue
Houston, TX 77034

INVOICE #: 270748 ELR
Billed through: June 9, 2010
Client/Matter #: 851020 00004

Terms: Net 10 Days Upon Receipt

RE: Schermerhorn, et al.

PROFESSIONAL SERVICES RENDERED

05/13/10	ELR	0.50 hrs	375.00 /hr	187.50
		Telephone conference with H. Ray and client to discuss filing new lawsuit.		
05/14/10	ELR	3.00 hrs	375.00 /hr	1,125.00
		Review draft complaint and application for preliminary injunction. Review removed lawsuit. Review confirmation order. Commence editing complaint.		
05/15/10	ELR	1.50 hrs	375.00 /hr	562.50
		Continue revising draft complaint. Draft email transmitting same to client and Mr. Ray for review		
05/16/10	ELR	0.50 hrs	375.00 /hr	187.50
		Review and revise motion to consolidate. Assign K. Mayle to prepare complaint for filing along with request for expedited hearing		
05/16/10	ELR	0.20 hrs	375.00 /hr	75.00
		Review and respond to several emails regarding states of complaint on discharge injunction..		
05/17/10	KJM	4.50 hrs	120.00 /hr	540.00
		Review and revise Complaint and Motion to Consolidate Adversary Proceedings. Draft Request for Expedited Consideration, Affidavit and Proposed Order. Prepare Verification. Review Adversary Proceeding No. 10-3150.		
05/18/10	ELR	0.25 hrs	375.00 /hr	93.75
		Draft email transmitting complaint to counsel for investors.		
05/18/10	ELR	0.25 hrs	375.00 /hr	93.75
		Review adversary proceeding cover sheet.		
05/18/10	ELR	0.25 hrs	375.00 /hr	93.75
		Revise verification to delete notary. Transmit same to client for signing.		
05/18/10	ELR	0.25 hrs	375.00 /hr	93.75

EXHIBIT

A

tabbles

Client-	851020 00004	Bill # 270748		PAGE	2
		Review and revise request for expedited hearing			
05/18/10	ELR		0.25 hrs	375.00 /hr	93.75
		Review and revise verification. Draft email forwarding same to client.			
05/18/10	KJM		6.00 hrs	120.00 /hr	720.00
		Review parties in Complaint to parties in original petition. Revised Complaint. Draft Cover Sheet. Prepare Verification of R. Kubbernus. Compile exhibits. File Complaint with the Court.			
05/19/10	ELR		0.10 hrs	375.00 /hr	37.50
		Review and respond to email from Mr. Friar regarding motion to consolidate and motion to set expedited hearing.			
05/20/10	ELR		0.25 hrs	375.00 /hr	93.75
		Telephone conference with Mr. Smith regarding motion to consolidate. expedite hearing and service			
05/20/10	ELR		0.20 hrs	375.00 /hr	75.00
		Draft email to Mr. Friar regarding acceptance of service.			
05/20/10	KJM		1.00 hrs	120.00 /hr	120.00
		Final preparation for filing of Motion to Consolidate,			
05/21/10	ELR		0.10 hrs	375.00 /hr	37.50
		Review and respond to email from H. Ray regarding possible continuance of May 27 hearing			
05/21/10	ELR		0.50 hrs	375.00 /hr	187.50
		Telephone conference with client regarding strategy for hearing on May 27.			
05/21/10	ELR		0.50 hrs	375.00 /hr	187.50
		Telephone conference with counsel for plaintiffs regarding possible interim resolution of for May 27 hearing.			
05/21/10	ELR		0.10 hrs	375.00 /hr	37.50
		Telephone conference with attorney for plaintiff group regarding motion to consolidate.			
05/23/10	ELR		0.25 hrs	375.00 /hr	93.75
		Review and respond to email from client regarding Damages..			
05/24/10	ELR		2.00 hrs	375.00 /hr	750.00
		Review various pleadings filed by Plaintiffs. Telephone conference with H. Ray and client to discuss same. Draft email to plaintiffs' counsel regarding continuance.			
05/24/10	ELR		0.25 hrs	375.00 /hr	93.75
		Telephone conference with Goldman and Smith regarding hearing on motion to			

Client-	851020	00004	Bill # 270748		PAGE	3
			consolidate.			
05/24/10	ELR			0.25 hrs 375.00 /hr	93.75	
			Telephone conference with Sam Goldman regarding terms of agreed order.			
05/24/10	ELR			0.75 hrs 375.00 /hr	281.25	
			Review and revise agreed order. Draft email transmitting same to opposing counsel.			
05/24/10	ELR			0.20 hrs 375.00 /hr	75.00	
			Review and respond to email from Mr. Goldman.			
05/24/10	KJM			0.50 hrs 120.00 /hr	60.00	
			Telephone discussion with Vangie Attaway (0.1). Prepare Notice of Hearing on Motions to Consolidate (0.4).			
05/24/10	KJM			1.00 hrs 120.00 /hr	120.00	
			Review case docket and obtain critical pleadings from Pacer.			
05/25/10	ELR			2.50 hrs 375.00 /hr	937.50	
			Review pleadings in preparation for preliminary injunction hearing.			
05/25/10	ELR			1.50 hrs 375.00 /hr	562.50	
			Prepare for preliminary injunction hearing			
05/25/10	ELR			0.25 hrs 375.00 /hr	93.75	
			Telephone conference with client regarding preparation for injunction hearing.			
05/25/10	ELR			0.10 hrs 375.00 /hr	37.50	
			Review and respond to email from Mr. Goldman regarding dismissal of derivative claims.			
05/25/10	KJM			0.50 hrs 120.00 /hr	60.00	
			Serve Order Granting Expedited Consideration in AP 10-3225.			
05/26/10	ELR			4.00 hrs 375.00 /hr	1,500.00	
			Prepare for preliminary injunction hearing			
05/26/10	ELR			0.25 hrs 375.00 /hr	93.75	
			Telephone conference with attorney for Wilson Vukevich regarding injunction hearing.			
05/26/10	ELR			0.25 hrs 375.00 /hr	93.75	
			Review and respond to email from Mr. Ray regarding derivative claims issue..			
05/26/10	KJM			0.40 hrs 120.00 /hr	48.00	
			Prepare Certificate of Service regarding Order Granting Expedited Consideration in AP 10-3225.			
05/26/10	KJM			0.40 hrs 120.00 /hr	48.00	

Client- 851020 00004 Bill # 270748 PAGE 4

Serve Order Granting Expedited Consideration in AP 10-3150. Prepare Certificate of Service and file same with the court.

05/26/10 KJM 6.00 hrs 120.00 /hr 720.00

Prepare for preliminary injunction hearing. Prepare spreadsheet detailing service in matrix and plan of Skycomm's equity holder defendants.

05/27/10 ELR 13.50 hrs 375.00 /hr 5,062.50

Prepare for and attend preliminary injunction hearing and related hearings.

05/27/10 KJM 4.50 hrs 120.00 /hr 540.00

Travel to and attend injunction hearing as witness on noticing of bankruptcy to plaintiffs.

05/28/10 ELR 1.50 hrs 375.00 /hr 562.50

Draft proposed orders on motion to consolidate and for preliminary injunction. Draft email transmitting same to parties

06/04/10 ELR 0.10 hrs 375.00 /hr 37.50

Draft email to H. Ray regarding progress on stipulating direct versus derivative cause of action.

06/04/10 ELR 0.25 hrs 375.00 /hr 93.75

Revise injunction order. Draft email transmitting same to opposing counsel.

06/07/10 ELR 0.25 hrs 375.00 /hr 93.75

Telephone conference with client regarding form of injunction order. Draft email to counsel for Schermerhorn regarding same.

06/07/10 ELR 0.25 hrs 375.00 /hr 93.75

Telephone conference with H. Ray regarding status of proposed orders.

06/07/10 KJM 0.60 hrs 120.00 /hr 72.00

Finalize and file Unopposed Order Granting Motion to Consolidate Adversaries. Finalize and upload proposed Order Granting Temporary Injunction.

06/08/10 ELR 0.10 hrs 375.00 /hr 37.50

Review and respond to email from client regarding damage award..

06/09/10 ELR 0.25 hrs 375.00 /hr 93.75

Telephone conference with clerk regarding status conference on proposed preliminary injunction order Draft email to opposing counsel regarding same.

TOTAL FEES FOR THIS MATTER

\$17,091.75

EXPENSES

Pages

Amount

05/18/10

Filing Fee

250.00

Client-	851020	00004	Bill # 270748	PAGE	5
05/18/10		Lexis-Nexis Online Research		5.95	
06/09/10		Outgoing Fax Charge	6	4.50	
06/09/10		Photocopy Expense	2850	427.50	
06/09/10		Postage Expense		20.59	

TOTAL EXPENSES FOR THIS MATTER	<u>\$708.54</u>
--------------------------------	-----------------

BILLING SUMMARY:

KJM	Mayle, Kathy J.	25.40 hrs @	\$120.00 /hr	\$3,048.00
ELR	Rothberg, Edward L.	37.45 hrs @	\$375.00 /hr	\$14,043.75
	FEE RECAP TOTALS	<u>62.85 hrs</u>		<u>\$17,091.75</u>

TOTAL FEES	\$17,091.75
------------	-------------

TOTAL EXPENSES	\$708.54
----------------	----------

TOTAL CHARGES FOR THIS BILL	<u>\$17,800.29</u>
-----------------------------	--------------------

TOTAL BALANCE NOW DUE	<u><u>\$17,800.29</u></u>
------------------------------	----------------------------------

Federal ID# 76-0381346

Invoice Terms: Net 10 Days Upon Receipt
Please Indicate Invoice Number on Your Check



SkyPorts Costs Incurred Responding to Schermerhorn Suit (Case 10-03150)

Name	Meetings, Conferences & Correspondence with	Attendance at Court	Responding to Plaintiffs	Reviewing Court	Review and Compile Internal Documents and Prepare Responses to Plaintiffs'	Hours	Rate	Totals
	Counsel		Requests to The FCC	Pleadings	Pleadings			
Robert Kubbernes - Time (SkyPort CEO)	42	16	5	14	36	113	\$ 375	\$ 42,375
Douglas Whitworth - Time (SkyPort CFO)	32	20	15	22	42	131	\$ 375	\$ 49,125
Jennifer Maus (SkyPort Accounting Manager)			7		14	21	\$ 275	\$ 5,775
Wilkinson, Barker, Knauer LLC (SkyPort FCC Counsel)			12.5			12.5	\$ 475	\$ 5,938
	74	36	39.5	36	92	277.5		\$ 103,213





Additional Service and Billing Policy

For all customers requesting additional services from SkyPort Global Communications outside of normal contracted services our billing rates and policies are as follows:

HOURLY LABOR RATES:

Position	Hourly Rate
Senior Executive; CEO, COO, CFO, CTO...	\$ 375
Executive Engineering Staff	\$ 275
Senior Engineering Staff.....	\$ 225
NOC Technician.....	\$ 155
RF Engineer.....	\$ 185
IP Engineer.....	\$ 185
Project Manager.....	\$ 165
Senior Accounting	\$ 275
Junior Accounting.....	\$ 155
Daily, Weekly and Monthly Rates.....	Quoted
Billing Increments.....	15 minutes

Additional report requests may require a multiple of positions to fulfill the client request.

Additional Services will be included in each monthly statement and will be due as per the client contract terms. This includes overdue interest policies as established by SkyPort from time to time.

Additional Services may include but are not limited to the following:

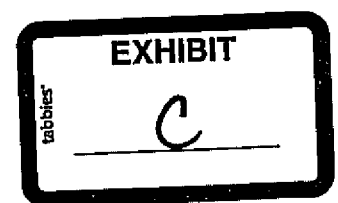
- Equipment Repair due to field damage not covered by manufactures warranty.
- Equipment Repair due to weather damage not covered by manufactures warranty.
- Re-configuration work due to customer issues.
- Re-furbishing equipment.
- Custom Reports as requested by Customer.
- Field Service not included in the contract.
- Custom Configuration unless included in the contract.
- Post Installation Testing and Certification unless included in the contract.
- Travel time and mileage not covered by contract.
- Air travel not covered by contract.
- Third party billing not covered by contract.

Contact Information

If you have questions, please contact:

Robert Kubbernus, President & CEO
 SkyPort Global Communications
 Call: 832.448.1037
 robert.kubbernus@skyportglobal.com

Douglas D. Whitworth, Chief Financial Officer
 SkyPort Global Communications
 Call: 281.272.7522
 Douglas.whitworth@skyportglobal.com





SkyPorts Costs Incurred Responding to Schermerhorn Suit (Case 10-03150)

Estimated costs required to change SkyPorts name due to irreparable damages, plus public relations campaign and current customer campaigns.

URL	\$ 3,800
Website Replacement	\$ 28,000
Public Relations Campaign. Quarum (6 months)	\$ 75,000
Stationary, Brochures,	\$ 12,500
Antenna Re-stencelling	\$ 42,000
Kori, Kevin and Marylou Labor to execute	\$ 27,500
Legal Change in Contracts all Customers, Douglas, Jennifer	\$ 12,500
Public Notifications, FCC, DHS, ORCA, DISA including Legal Assistance.	\$ 32,000
Total Cost to Rebrand	<u>\$ 233,300</u>

